

HAMPTON MUNICIPAL BUDGET COMMITTEE MINUTES

Tuesday December 6, 2016

Selectmen's Meeting Room 7PM

Attendance:

Mary-Louise Woolsey, Chair
Michael Plouffe, Vice Chair;
Regina Barnes, Selectman Representative
Virginia Bridle-Russell, School Board Representative, SAU 90
Robert Ladd, Hampton Beach Village District Representative
Danielle Augustine
Steven Henderson
Timothy "Citizen" Jones
Sunny Kravitz
Stephen LaBranche
Michael Pierce
David Maurer

Absent

Brian Lapham (excused)

In Attendance

In Attendance: Fred Welch, Town Manager, Kristi Pulliam, Finance Director;

1. Call to Order at 7:00 PM by Ms Woolsey.

2. Pledge of Allegiance

3. Roll Call of the Members

4. Special Money Articles

Ms Woolsey read the text description of the purpose of each Article before the relative discussion, and said the decision(s) would be made at the final review. ["Boiler Plate" negotiation and implementation language is not included in the Minutes.]

Human Service Agencies

Shall the Town of Hampton vote to raise and appropriate the sum of \$174,475 for the cost of Hampton's contribution to twenty (20) human services agencies in the Seacoast in the amounts corresponding to the agencies' requests in the right hand column as follows:

A Safe Place & Seacoast Assault Services	7,500
American Red Cross	2,000
Aids Response Seacoast	2,700
Area Home Care & Family Services	12,000
Big Brothers, Big Sisters	8,000
Child Advocacy Center	1,250
Child and Family Services	6,000
Crossroads House	15,000
Families First Health & Support Services	10,000
Lamprey Health Sr Trans Program	4,200
New Generation Shelter	2,000
Retired & Senior Volunteer Program	1,800
Richie McFarland Children's Center	7,800
Rockingham Community Action	25,000
Rockingham Meals on Wheels	6,625
Seacoast Family Promise	2,500
Seacoast Mental Health Center	8,000
Seacoast Visiting Nurses	40,000
Seacoast Youth Services	2,500
Transportation Assistance for Seniors (TASC)	9,600

These twenty (20) human services agencies shall each be required to give a written report at the end of the calendar year 2017 to the Board of Selectmen highlighting what the funds were used for and what impact the funds had in assisting to achieve their goals and objectives...?

Ms Woolsey said the total amount of \$174,475 is the same as for 2016. These twenty agencies serve as a backup to for the welfare officer who makes referrals for the benefit of families in need. Mr Pierce felt that the services provided justified the cost. Mr Kravitz said assistance from these agencies was coordinated through welfare. Mr Henderson and Ms Augustine viewed the services as valuable assets for the town. Mr Plouffe explained that each agency had originally been approved for funding at a town meeting. In response to Mr LaBranche, Mr Welch said that he and the Selectmen were satisfied with the written reports submitted by the agencies; the reports would eventually be online. Mr Maurer, Mr Ladd and Mr Jones favored the appropriation.

Recreation Infrastructure Special Revenue Fund

Shall the Town of Hampton vote to raise and appropriate the sum of \$99,740 for the following purposes of the Park and Recreation Department: (a) the purchase of (4) sets of 1970's furniture that came with the Town Offices at the time of new bleachers and picnic tables for the Tuck Field baseball field and the Eaton Park softball field; (b) the purchase of a "Gator" utility vehicle and trailer for the Park Division; (c) the replacement of the carpeting at the Tuck Building; (d) the reroofing of the Eaton Park Concession Stand; (e) the purchase of new office furniture to replace the hand-me-down 1970s furniture that came with the Town Offices at the time of its purchase, (f) resurfacing of the (2) in-bounds playing areas on the right-hand tennis courts, that includes one coat of Plexicushion Blue and one coat of US Open Blue plus striping; and (g) restoration of Tuck One Field, the Don Butler Diamond as the field is very uneven and requires removal of the grass cover and regrading of the field; (h) purchase of a new recreation software program including the purchase of new tablets and service for the Town Parking Lots and the Parks and Recreation Department as determined by the Board of Selectmen, the Town Manager, and the Director of Parks and Recreation, and to authorize the withdrawal of \$99,740 from the Recreation Infrastructure Special Revenue Fund established for the purpose under Article 44 of the 2007 Annual Town Meeting?...

Ms Woolsey explained that as monies in the Special Revenue Fund come from twenty percent of the parking revenue, there is no tax impact. The Director is asking for the authority to withdraw and spend the money as stated above. In response to Mr Jones, Mr Welch said the balance in the fund is \$230,364, and is replenished every year. Mr LaBranche added that the original 2007 Beach warrant article authorized the monies for infrastructure purposes. Mr Henderson commented that the parks facilities and recreation programs were well used. Mr Kravitz asked if the Sacred Heart School used the town fields. Mr LaBranche said Sacred Heart had their own fields.

Police Forfeiture Special Revenue Fund

Shall the Town of Hampton vote to raise and appropriate the sum of \$90,000 to carry out all lawful functions allowed under the federal, state and local criminal justice forfeiture programs and to authorize the withdrawal of that amount from the Police Forfeiture Special Revenue Fund created for that purpose under Article 35 of the 2003 Town Meeting

Mr Henderson explained that funds can be accessed after the Court signs off on an award; the allocation is split between federal and local resources. Mr Jones commented that the assets are taken before a final verdict, noting that awards might apply to "alleged bad guys". Mr Kravitz wondered how much money was in the Fund and if the monies are every returned. Mr Henderson asked if this amount was less that some years. Mr Jones asked for the amount in the Fund. Mr Welch said that \$90,000 is the allowed maximum amount annually. The Treasurer has a holding account and tracks the awards. Mr Welch commented that this mostly involved court seizures and anti-drug operations. Mr Maurer wondered why a warrant article was needed when this involves confiscation. Mr Henderson explained that the warrant article allows the town to accept funds which it could not otherwise do. Mr Welch said there is no tax impact; if funds are there they can be used. Mr Maurer recommended clarifying the above. Mr Welch will query the Attorney General to see if they want to change the language.

Conservation Fund

Shall the Town of Hampton vote to raise and appropriate the sum of \$20,000 to be placed in the Hampton Conservation Fund; this fund is used to “acquire, maintain, improve, protect or limit the future use of, or otherwise conserve and properly utilize” open space and conservation easements in Hampton in accordance with RSA 36-A:Sections 1 through 4 inclusive. Recent acquisitions such as the Batchelder Field Conservation Easement, have significantly reduced the size of the Fund, and the goal is to return the Fund to adequate levels to enable the Commission to conserve additional lands on behalf of the Town of Hampton?

Ms Woolsey reported the fund balance was \$143,000. The Conservation Commission is looking at two potential properties, and always searches for additional lands. Money for down payments would come from the Fund. Mr Jones pointed out that some money was currently available, and commended changing the name of the fund to better express its purpose. Mr Kravitz commented that in negotiations people often donate property for the tax benefit. Ms Barnes commented that on average the amount was about \$100,000.

Electronic Storage of Town Records

Shall the Town of Hampton vote to raise and appropriate the sum of \$50,000 to begin the process of converting stored paper documents to electronic format as authorized by Chapter 226 of the Acts of 2016. Said sum of \$50,000 to come from the Unassigned Fund Balance, a fund containing unexpended appropriations from prior years as of December 31, 2016, with no amount to be raised from taxation...?

Mr Welch cited the fear of loss of the papers contained in the first Tax Collector's Vault which are used regularly for real estate research and need to be kept permanently; the space is stuffed and the contents deteriorating. The conservation process needs to be done soon. Outside professional vendors would be hired to do the digital transfer to the CLOUD; the work would be done in Town Hall. The Legal and Building Department vaults and file cabinets in storage would also be digitized. Ms Woolsey called attention to the dampness, and asked what the total cost would be. Mr Welch said there would need to be a public bid process to determine cost; the documentation would be available online, and an electronic copy of the documents would be sent to the state vault in Concord. Once converted, paper copies could be destroyed. The new law allows the town to cease microfilm work. Mr Maurer asked about the anticipated CLOUD costs and security measures. Mr Welch said they did not know the cost yet, and reported that the current system is hacked several times a week presumably mostly by China. Mr Jones commented that the records are public; only the device(s) need protection. There would be no cost for access on the WEB, while paper copies would be 50 cents a sheet. Mr Jones asked about the number of years to digitize; Mr Welch said that would be determined once the bids are in.

5. General Discussion

Ms Woolsey asked about warrant articles still to come. Mr Welch expected four collective bargaining contracts, certain public works equipment, a fire engine, and lowering the cost for the sea wall repair. Ms Woolsey said those articles and the final review of the special money articles would occur at the December 20 meeting. The final review of the operating budget would occur on January 3, 2017. Mr Welch agreed that all of the documentation had to be printed and ready for the January 12, 2017 Public

Hearing. In response to Mr Maurer, Mr Welch explained that the election and zoning articles would appear on the ballot before the money articles.

Ms Woolsey asked about monies encumbered to 2016 but unspent, and if unspent monies will be directed to the unassigned fund balance. Ms Pulliam said these are in department lines; she will alert the department heads. Ms Woolsey asked if some of that unassigned money could be used to purchase replacement fire hoses and the ice equipment. Mr Welch said that would be against the law; some items were being replaced and they were getting more pricing on hoses and other items to see what could be done out of the department budget. Unassigned funds at the end of the year could be used in a warrant article or to lower debt or the tax rate. In response to Mr LaBranche, Mr Welch said the jaws of life were already on the engine. Ms Bridle-Russell asked if left over money could be used to buy fire hoses. Mr Welsh said only through a warrant article.

Ms Woolsey asked for the amount of the unassigned fund balance. Ms Pulliam will provide the amount of the unfunded balance. Mr Welch explained that the unfunded balance is a cash reserve; by Selectmen policy, enough is retained to at least cover unpaid balances and taxes still due, noting that people have three years to complete their tax payments. At its highest point, the fund was approximately \$7,500,000 much of which has been drawn down. Interest that comes to the town goes to the general fund. Ms Woolsey added the sum is leverage for bonding. Mr Welch agreed saying they no longer had to borrow in anticipation of taxes; the town currently had a solid reserve. Mr Ladd thought that quarterly tax billings i.e. getting smaller amounts more frequently could be an advantage, and that many communities were finding that a benefit. Mr Welch said that cities with a much larger tax obligation than Hampton are more likely to bill quarterly for the income stream. This needs analysis and, if desirable, permission to make such a change. Ms Pulliam will provide the November financials for the next meeting.

Mr Jones called attention to the figures put together by Mr Pierce and asked why if \$500,000 in debt service had been paid off, the budget is higher than last year, understanding that collective bargaining amounts account for some of the increase. Ms Barnes said the final budget review should look at increases, decreases, and what remains the same; the retirement of debt had never been added in so the comparison had not been made before. In accounting, consistency is important. Ms Woolsey said it took five years to pay off \$500,000 in public works debt service annually, and thought that would now be shown as a vacancy in the 2017 debt service line i.e. the debt service would show a \$500,000 decrease. Mr Pierce thought it looked like an \$800,000 increase in 2017 – a significant amount, Mr Jones agreed and wanted to know specifically how that \$800,000 was allocated. It appeared to him that \$697,000 is allocated as collective bargaining wage and benefit increases. Ms Barnes did not agree and asked for the electronic version of the figures that Mr Pierce provided so she could consider the line items carefully. Mr Jones expressed concern that reduced debt service might already be expressed in the default budget. Ms Barnes has been working with the Finance Director and requested that this matter be discussed at the final review. Mr Jones asked if information could be provided in advance of the final review meeting.

6. IT Audit Report

Mr Jones thanked Ms Barnes for responding quickly, Mr Welch said the report had just been received and it would be provided when the Selectmen release it. Ms Barnes said once released by the Selectmen, she will provide it.

7. Schedule

Ms Woolsey said the Committee needed time for review and discussion, and asked about the gasoline and diesel analysis. Ms Pulliam said this would be on next week's Board of Selectmen Agenda, and offered to provide them by email. The December 20 meeting would go over the additional special money articles, collective bargaining agreements, and hopefully cover all of the special money articles to get an approximate total amount. The operating budget together with the default budget would be addressed on January 3, 2017 and January 5. The Public Hearing is January 12, 2017. The money articles relating to the Schools would be addressed on December 8.

8. Adjournment

Motion	Stephen LaBranche	to adjourn the December 6, 2016 Budget Committee meeting at 8:07 PM.
Second	Virginia Bridle-Russell	Approved: Unanimous

Respectfully Submitted by

Barbara Kravitz, Recording Secretary
Town of Hampton Budget Committee